

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 12, 1985

ALL-COUNTY LETTER NO. 85-124

TO: ALL-COUNTY WELFARE DIRECTORS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING INCREASES

Social Security recipients will receive a 3.1 percent cost-of-living increase in their Social Security benefits effective December 1, 1985, which is payable January, 1986. This increase will affect grant and allotment amounts and could affect eligibility for Aid to Families with Dependent Children (AFDC), including AFDC/Foster Care, Refugee Cash Assistance (RCA), Refugee Demonstration Project (RDP), Entrant Cash Assistance (ECA), and Food Stamp cases. If the grant or allotment amounts are adjusted due to Social Security benefit increase, the requirements of a timely and adequate Notice of Action apply.

AFDC, RCA, RDP, ECA Cases and Food Stamp Monthly Reporting Households

For continuing cases, the Social Security increase should be reported on the January, 1986 CA 7 due in February, 1986, and retrospectively budgeted to determine grant and allotment amounts for March.

These increases could also effect eligibility starting with the month of January for both new and continuing cases. For the continuing cases, the new Social Security benefit amount can be determined by multiplying the "old" Social Security benefit amount by 1.031. For new applications, the actual amount will be used for prospective eligibility and budgeting purposes.

Food Stamp Nonmonthly Reporting Households

- For nonmonthly reporting households not subject to retrospective budgeting, this increase should be effected within 120 days of the Social Security benefit change (May 1, 1986).
- For nonmonthly reporting households subject to retrospective budgeting, this change cannot be effected any earlier than 60 days from the date of the Social Security benefit change, but not later than 120 days.
- Methodologies

Current regulations state that nonmonthly reporting households are not required to report changes under \$25, but the CWD must act on known

information. Therefore, the following methods are described for identifying households that receive Social Security benefits, and for determining the amount of the new Social Security payment.

- (a) Counties which have a computer system that can identify households receiving Title II Social Security benefits, and the new benefit amount (SDX capability), should extract the new benefit amount and effect the change within the timeframes specified above.
- (b) For those households being recertified during the 120 days following the date of the increase, the counties must use the new Social Security benefit amount to determine eligibility and allotment amount. Any changes should be effected within the timeframes specified above.
- (c) For all other households, counties should conduct desk reviews to identify the households receiving Social Security benefits. The cost-of-living increases will be reflected by multiplying the "old" Social Security benefit amount by 1.031. Any changes should be effected within the timeframes specified above.

No household shall be held liable for any overissuance resulting from the CWD's application of the 3.1 percentage increase factor. If an underissuance of food stamp benefits occurs, the household will be entitled to a restoration of lost benefits.

If you have any questions, please contact the Food Stamp Policy Implementation Bureau at (916) 445-6907, or the AFDC Policy Implementation Bureau at (916) 322-5330.


ROBERT A. HOREL
Deputy Director

cc: CWDA